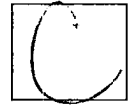


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02304A
Community Water Company of Green Valley
1501 S. La Canada Dr.
Green Valley, AZ 85614

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
----	----	------

FOR COMMISSION USE

ANN 04	06
--------	----

PROCESSED BY:

4-18-07

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Community Water Company of Green Valley

Mailing Address 1501 S La Canada
(Street)

Green Valley
(City)

Arizona
(State)

85614-1600
(Zip)

520-625-8409

Telephone No. (Include Area Code)

520-625-1951

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Email Address info@communitywater.com

Local Office Mailing Address 1501 S La Canada
(Street)

Green Valley
(City)

Arizona
(State)

85614-1600
(Zip)

520-625-8409

Local Office Telephone No. (Include Area Code)

520-625-1951

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Email Address info@communitywater.com

MANAGEMENT INFORMATION

Management Contact: Arturo R. Gabaldon President
(Name) (Title)

1501 S. La Canada
(Street)

Green Valley
(City)

Arizona
(State)

85614-1600
(Zip)

520-625-8409

Telephone No. (Include Area Code)

520-625-1951

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Email Address info@communitywater.com

On Site Manager: Arturo R. Gabaldon, President
(Name)

1501 S. La Canada
(Street)

Green Valley
(City)

Arizona
(State)

85614-1600
(Zip)

520-625-8409

Telephone No. (Include Area Code)

520-625-1951

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Email Address info@communitywater.com

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: William D. Baker

(Name)

7310 N. 16th Street, Suite 320

(Street)

Phoenix

(City)

Arizona

(State)

85020

(Zip)

602-956-8878

Telephone No. (Include Area Code)

602-224-9663

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Attorney: William D. Baker

(Name)

7310 N. 16th Street, Suite 320

(Street)

Phoenix

(City)

Arizona

(State)

85020

(Zip)

602-9568878

Telephone No. (Include Area Code)

602-224-9663

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☒ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME Community Water Company of Green Valley

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	See Exhibit A - Page 1		
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS			

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Community Water Company of Green Valley

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services	See Exhibit A - Page 2,3		
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS			

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$	\$
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	See Exhibit A Page 4	
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$	\$
	FIXED ASSETS		
101	Utility Plant in Service	\$	\$
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$	\$
	TOTAL ASSETS	\$	\$

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest	See Exhibit A, Page 5	
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$	\$
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$	\$
	TOTAL LIABILITIES AND CAPITAL	\$	\$

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$	\$
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	See Exhibit A, Page 6	
618	Chemicals		
620	Repairs and Maintenance		
621	Office Supplies and Expense		
630	Outside Services		
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense		
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$	\$
	OPERATING INCOME/(LOSS)	\$	\$
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$	\$

COMPANY NAME Community Water Co of Green Valley

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	5/16/2005			
Source of Loan	JP Morgan Chase			
ACC Decision No.	67515			
Reason for Loan	Plant Exp.			
Dollar Amount Issued	\$ 2,200,000	\$	\$	\$
Amount Outstanding	\$ 2,200,000	\$	\$	\$
Date of Maturity	11/16/08			
Interest Rate	See below %	%	%	%
Current Year Interest	\$126,039.15	\$	\$	\$
Current Year Principle	\$ 0	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 8,401.12

Meter Deposits Refunded During the Test Year \$ 2,151.95

* Prime + 0 percent, or fixed at 30, 60, or 90 day LIBOR plus 200 points.

COMPANY NAME	Community Water Company of Green Valley
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-627485 (#6)	250	1000	837	16	1-6" & 1-10"	1977
55-627486 (#7)	250	1000	1065	12	1-6" & 1-10"	1982
55-543600 (#8)	400	1750	990	24" -0-40" 16" -40-990"	1-8" & 1-12"	1994
55-588121 (#9)	250	1200	1000	20	1-8" & 1-12"	2002
55-207982 (#10)	400	2500	1140	16	1-12"	2005

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Phelps Dodge Esperanza Wells 1,2 & 3	2750	488,177 as of 11/5/05

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5 Res. 1	1	792	
10 Res. 1 20 Res. 1	1 1		
60HP @ #10 well	5		
30 LCB 60 GE	1 1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
1 million	3	10,000	1
2 million	1	5,000	1
300,000	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Community Water Company of Green Valley
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	CA & DI	7050
3	" "	8167
4	" "	52,859
5	" "	0
6	" "	311,200
8	" "	221,860
10	" "	6,799
12	" "	106,855
16	" "	45,320

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	9188
3/4	88
1	520
1 1/2	67
2	152
Comp. 3	
Turbo 3	70
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

3 Arsenic Removal Plants

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Community Water Company of Green Valley	
Name of System	ADEQ Public Water System Number (if applicable)

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	9,596	64,666	76,182	0
FEBRUARY	9,610	66,936	74,807	0
MARCH	9,635	72,354	79,257	0
APRIL	9,704	79,940	84,998	0
MAY	9,733	77,953	92,377	0
JUNE	9,758	82,808	91,604	0
JULY	9,523	79,814	83,478	0
AUGUST	9,865	70,496	73,828	0
SEPTEMBER	9,920	64,543	72,532	0
OCTOBER	9,959	70,446	80,096	0
NOVEMBER	9,973	69,053	75,712	0
DECEMBER	9,997	67,773	71,016	0
TOTALS →		866,782 *	955,887	0

* Does not include allowed water system use.

as permitted by ADWR (see exhibit B) See ADWR report for Lost Lake water for 2006 (see exhibit C)

What is the level of arsenic for each well on your system? _____ mg/l

(If more than one well, please list each separately.)

Arsonic Levels

#6 - .014/mg/l

#7 - .007 mg/l

#8 - .010 mg/l

#9 - .014 mg/l

#10 - .014 mg/l

If system has fire hydrants, what is the fire flow requirement? NA GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

(x) Yes

() No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(x) Yes

() No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

(x) Yes

() No

If yes, provide the GPCPD amount: 136.5

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Community Water Co. of Green Valley YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 103,335.00



Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

111310346
04/12/2006
924847002

This is a LEGAL COPY of your
check. You can use it the same
way you would use the original
che

111310346 04/12/2006
924847002

	COMMUNITY WATER COMPANY OF GREEN VALLEY <small>(FED. RES. AC-002628) PO BOX 1075 GREEN VALLEY, AZ 85609-1075 (520) 625-6608</small>	BANK ONE JP MORGAN CHASE BANK, NA PHOENIX, ARIZONA 85073	91-2 1221	112594
	0112594			
PAY TO THE ORDER OF		EXACTLY ***54131 DOLLARS AND 76 CENTS	DATE 04/06/06	AMOUNT ***54,131.76
BETH FORD PIMA CO TREAS PIMA CO TREASURERS OFC PO BOX 98765 PHOENIX AZ 85038-0765				
112594 122100024		20262155		

112594 122100024 20262155

0005413176

111310346
924847002
04/12/2006

BANK OF AMERICA NA
111000405
04/12/06

↓ Do not endorse or write below this line. ↓

**COMMUNITY
WATER
COMPANY
OF GREEN VALLEY**

TIN NO. 86-0326996
P.O. BOX 1078 PH. 625-8409
GREEN VALLEY, AZ 85622-1078

1061024044
1106 303 33.403A 27a

17626

91-2197
1221

DATE 10-12-06

PAY
TO THE
ORDER OF

Beth Ford, Pima County Treasurer

\$ 51,719.66

THE SUM 51719 DOLS 66 CTS

DOLLARS

Security Features
Included
Details on Back



Bank One, Arizona, NA
Phoenix, Arizona 85073
www.bankone.com

GENERAL ACCOUNT (REVENUE FUNDS)

FOR

⑈017626⑈ ⑈122100024⑈

20262155⑈

⑈0005171966⑈

OCT 25 06

0016 66178

BANK OF AMERICA, NA TPE
#122 017064 E3373 90 P07
10/25/06

3150743315

10262006
111901331

4240583366

FOR DEPOSIT ONLY
TO THE CREDIT OF
BETH FORD
PIMA COUNTY TREASURER
PIMA COUNTY, ARIZONA
412-724155

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>PIMA</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>CONTROLLER / ASST TREASURER</u>
COMPANY NAME	<u>COMMUNITY WATER COMPANY OF GREEN VALLEY</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

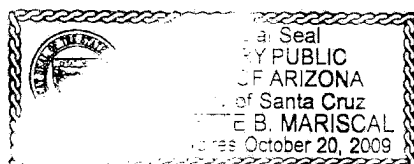
MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



g Hankant

SIGNATURE OF OWNER OR OFFICIAL

(520) 625-8409

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

13th

DAY OF

April

COUNTY NAME	<u>Santa Cruz</u>
MONTH	<u>April</u>
	<u>2007</u>

(SEAL)

Jeanette B Macosail

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

October 20, 2009

COMPANY NAME Community Water Co. of Green Valley **YEAR ENDING 12/31/2006**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported _____
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances NA
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

April 13, 2007

DATE

Pierre Hanhart

PRINTED NAME

Controller/Asst. Treasurer

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima
NAME (OWNER OR OFFICIAL) TITLE Pierre Hanhart/Controller/Asst Treasurer
COMPANY NAME Community Water Co of Green Valley

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

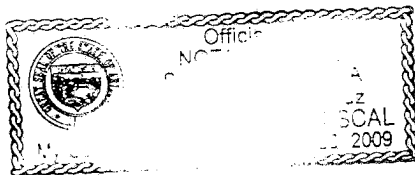
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:



Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 2,572,452

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 147,334
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

P. Hanhart

SIGNATURE OF OWNER OR OFFICIAL

520-625-8409

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

13th

DAY OF

COUNTY NAME	
MONTH <u>April</u>	<u>2007</u>

(SEAL)

Jennette B. Marquis
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES October 29, 2009

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Pierre Hanhart	TITLE Controller/Asst Treasurer
COMPANY NAME Community Water Company of Green Valley	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

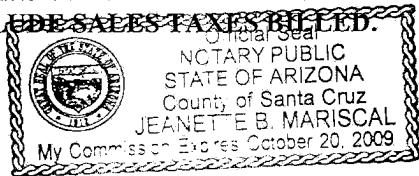
SWORN STATEMENT

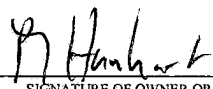
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 2,164,622

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 129,952
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**





SIGNATURE OF OWNER OR OFFICIAL

520-625-8409

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

13th

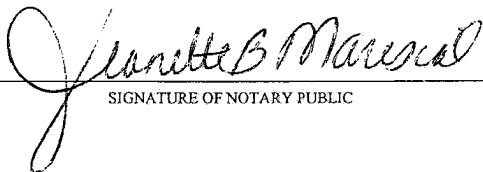
DAY OF

NOTARY PUBLIC NAME	
COUNTY NAME	
MONTH April	2007

(SEAL)

MY COMMISSION EXPIRES

October 29, 2009^X



SIGNATURE OF NOTARY PUBLIC

ACCT	SUB	DESCRIPTION	COST			COST 12/31/2006 (INCL P.D.)
			12/31/2005	ADDITIONS	RETIREMENTS	
101-01	-301	Organization	47,863.07	0.00		47,863.07
101-02	-302	Franchise	243.65	0.00		243.65
101-05	(310-03)	Other Source of Supply Land	45,765.71	52,633.59		98,399.30
101-09	-314	Wells	929,636.65	1,116,760.53		2,046,397.18
101-13	-320	Pumping Land	219.77	0.00		219.77
101-17	-321	Pumping Structure	1,940.40	16,507.39		18,447.79
101-21	-325	Pumping Equip Electr	616,859.36	1,045,685.00		1,662,544.36
101-25	-328	Pumping Equip Gas	122,125.94	0.00		122,125.94
101-27	-331	Water Treatment Struct	49,258.61	89,136.72		138,395.33
101-29	-332	Water Treatment Equip	808,101.69	2,091,975.46		2,900,077.15
101-33	-342	Tanks Reservoirs	1,066,451.79	0.00		1,066,451.79
101-37	-343	Mains	9,981,616.46	3,767,879.32	950.40	13,748,545.38
101-41	-344	Fire Sprinkler Taps	216,851.41	38,024.27		254,875.68
101-45	-345	Services	2,911,919.98	446,714.87	6,993.38	3,351,641.47
101-49	-346	Meters	595,886.54	102,216.31	13,935.64	684,167.21
101-53	-348	Hydrants	1,325,823.60	428,783.78	15,818.00	1,738,789.38
101-57	-389	Land- Ware house Well #7	45,101.94	0.00		45,101.94
101-61	-390	#4 Warehouse & La Canada booster	21,033.06	2,167.62		23,200.68
101-65	(390-01)	Office Building	360,288.88	0.00		360,288.88
101-69	(390-02)	Warehouse Ward Lane	130,321.49	0.00		130,321.49
101-70	(390-03)	Land Purchase Office Building	22,567.00	0.00		22,567.00
101-73	-391	Office Furniture & Equip	140,493.80	9,704.40	900.00	149,298.20
101-77	(391-01)	Office Equip Burroughs	0	0.00		0.00
101-87	-393	Stores Equipment	2,441.14	0.00		2,441.14
101-89	-394	Tools Etc.	101,277.44	9,002.18	6,340.00	103,939.62
101-91	-395	Laboratory Equipment	2,344.64	0.00		2,344.64
101-93	-396	Power Operated Equipment	42,073.43	35,457.92	4,000.00	73,531.35
101-97	-397	Communication Equipment	69,339.84	0.00		69,339.84
101-98	-398	Safety Equipment	738.46	0.00		738.46
101-81	(391-02)	Office Equip Computer (12.5%)	238,700.99	11,747.39	3,500.00	246,948.38
		Depr 111-10	19,897,286.74	9,264,396.75	52,437.42	29,109,246.07
101-95	(396-01)	Backhoe (6.24%)	107,179.07	0.00		107,179.07
		Depr 111-30	20,004,465.81	9,264,396.75	52,437.42	29,216,425.14
101-85	-392	Vehicles	343,468.36	71,552.43	41,458.54	373,562.25
		Depr 111-20	20,347,934.17	9,335,949.18	93,895.96	29,589,987.39
115-00		CWC(North) Plant Acq Adj	437,109.00			437,109.00
117-00		Plant Acquisition Adj (Deprec 118-00)	628,542.94			628,542.94
			21,413,586.11	9,335,949.18	93,895.96	30,655,639.33

12/31/2006

ACCT	SUB	DESCRIPTION	ACC DEPR 12/31/2005	Depreciation Expense 2006	Retirements & Salvage Value 2006	ACC DEPR 12/31/2006	OCID 12/31/2006
101-01	-301	Organization	47,387.19	200.80		47,587.98	275.09
101-02	-302	Franchise	129.60	6.07		135.66	107.99
101-05	(310-03)	Other Source of Supply Land	-	Land=N/A		0.00	45,765.71
101-09	-314	Wells	134,117.72	37,061.62	-	171,179.34	813,532.19
101-13	-320	Pumping Land	-	Land=N/A		0.00	219.77
101-17	-321	Pumping Structure	682.92	253.83		936.75	17,511.04
101-21	-325	Pumping Equip Electr	103,421.49	27,668.46		131,089.96	491,004.41
101-25	-328	Pumping Equip Gas	7,717.71	3,040.94		10,758.64	111,367.30
101-27	-331	Water Treatment Struct	2,687.68	2,336.29		5,023.98	133,371.35
101-29	-332	Water Treatment Equip	(33,050.62)	46,166.83		13,116.20	1,600,133.24
101-33	-342	Tanks Reservoirs	329,818.37	26,554.65		356,373.02	710,078.77
101-37	-343	Mains	2,993,627.66	295,440.51	950.40	3,288,117.77	8,132,677.60
101-41	-344	Fire Sprinkler Taps	66,058.49	5,873.00		71,931.49	182,944.19
101-45	-345	Services	724,452.17	77,981.34	6,993.38	795,440.13	2,556,201.34
101-49	-346	Meters	99,825.91	15,936.67	13,935.64	101,826.94	582,340.27
101-53	-348	Hydrants	372,965.64	38,154.43	15,818.00	395,302.07	1,343,084.44
101-57	-389	Land- Ware house Well #7	-	Land=N/A		0	45,101.94
101-61	-390	#4 Warehouse & La Canada booster	8,739.10	550.71		9,289.81	13,910.87
101-65	(390-01)	Office Building	153,556.47	8,971.19		162,527.67	197,761.21
101-69	(390-02)	Warehouse Ward Lane	64,073.21	3,245.01	-	67,318.21	63,003.28
101-70	(390-03)	Land Purchase Office Building	-	Land=N/A		0	22,567.00
101-73	-391	Office Furniture & Equip	10,362.03	3,607.91	900.00	13,069.94	136,228.26
101-77	(391-01)	Office Equip Burroughs	(7,500.81)	FD		-7,500.81	7,500.81
101-87	-393	Stores Equipment	859.79	60.78		920.58	1,520.56
101-89	-394	Tools Etc.	13,895.64	2,554.95	6,340.00	10,110.59	93,829.03
101-91	-395	Laboratory Equipment	1,046.71	58.38		1,105.09	1,239.55
101-93	-396	Power Operated Equipment	5,746.52	1,439.28	4,000.00	3,185.80	70,345.55
101-97	-397	Communication Equipment	23,563.29	1,726.56		25,289.85	44,049.99
101-98	-398	Safety Equipment	27.58	18.39		45.97	692.49
101-81	(391-02)	Office Equip Computer (12.5%)	151,889.11	12,880.11	3,500.00	161,269.22	85,679.16
		Depr 111-10	5,276,100.55	611,788.72	52,437.42	5,835,451.85	17,504,044.40
101-95	(396-01)	Backhoe (6.24%)	73,403.42	4,503.05	-	77,906.47	29,272.60
		Depr 111-30	5,349,503.97	616,291.77	52,437.42	5,913,358.32	17,533,317.00
101-85	-392	Vehicles	312,711.27	40,805.38	34,828.54	318,688.11	54,874.14
		Depr 111-20	5,662,215.24	657,097.15	87,265.96	6,232,046.43	17,588,191.14
115-00		CWC(North) Plant Acq Adj	437,109.00	0		437,109.00	0.00
117-00		Plant Acquisition Adj (Deprec 118-00)	435,055.37	15,516.00		450,571.37	177,971.57
			6,534,379.61	672,613.15	87,265.96	7,119,726.80	17,766,162.71

ACCT	SUB	DESCRIPTION	COST	ACC DEPR	OCID
			12/31/2006 (INCL P.D.)	12/31/2006	12/31/2006
101-01	-301	Organization	47,863.07	47,587.98	275.09
101-02	-302	Franchise	243.65	135.66	107.99
101-05	(310-03)	Other Source of Supply Land	98,399.30	0.00	45,765.71
101-09	-314	Wells	2,046,397.18	171,179.34	813,532.19
101-13	-320	Pumping Land	219.77	0.00	219.77
101-17	-321	Pumping Structure	18,447.79	936.75	17,511.04
101-21	-325	Pumping Equip Electr	1,662,544.36	131,089.96	491,004.41
101-25	-328	Pumping Equip Gas	122,125.94	10,758.64	111,367.30
101-27	-331	Water Treatment Struct	138,395.33	5,023.98	133,371.35
101-29	-332	Water Treatment Equip	2,900,077.15	13,116.20	1,600,133.24
101-33	-342	Tanks Reservoirs	1,066,451.79	356,373.02	710,078.77
101-37	-343	Mains	13,748,545.38	3,288,117.77	8,132,677.60
101-41	-344	Fire Sprinkler Taps	254,875.68	71,931.49	182,944.19
101-45	-345	Services	3,351,641.47	795,440.13	2,556,201.34
101-49	-346	Meters	684,167.21	101,826.94	582,340.27
101-53	-348	Hydrants	1,738,789.38	395,302.07	1,343,084.44
101-57	-389	Land- Ware house Well #7	45,101.94	0	45,101.94
101-61	-390	#4 Warehouse & La Canada booster	23,200.68	9,289.81	13,910.87
101-65	(390-01)	Office Building	360,288.88	162,527.67	197,761.21
101-69	(390-02)	Warehouse Ward Lane	130,321.49	67,318.21	63,003.28
101-70	(390-03)	Land Purchase Office Building	22,567.00	0	22,567.00
101-73	-391	Office Furniture & Equip	149,298.20	13,069.94	136,228.26
101-77	(391-01)	Office Equip Burroughs	0.00	-7,500.81	7,500.81
101-87	-393	Stores Equipment	2,441.14	920.58	1,520.56
101-89	-394	Tools Etc.	103,939.62	10,110.59	93,829.03
101-91	-395	Laboratory Equipment	2,344.64	1,105.09	1,239.55
101-93	-396	Power Operated Equipment	73,531.35	3,185.80	70,345.55
101-97	-397	Communication Equipment	69,339.84	25,289.85	44,049.99
101-98	-398	Safety Equipment	738.46	45.97	692.49
101-81	(391-02)	Office Equip Computer (12.5%)	246,948.38	161,269.22	85,679.16
		Depr 111-10	29,109,246.07	5,835,451.85	17,504,044.40
101-95	(396-01)	Backhoe (6.24%) Depr 111-30	107,179.07	77,906.47	29,272.60
			29,216,425.14	5,913,358.32	17,533,317.00
101-85	-392	Vehicles Depr 111-20	373,562.25	318,688.11	54,874.14
			29,589,987.39	6,232,046.43	17,588,191.14
115-00		CWC(North) Plant Acq Adj	437,109.00	437,109.00	0.00
117-00		Plant Acquisition Adj (Deprec 118-00)	628,542.94	450,571.37	177,971.57
			30,655,639.33	7,119,726.80	17,766,162.71

COMPANY NAME Community Water Company of Green Valley

BALANCE SHEET

ASSETS

	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
CURRENT AND ACCRUED ASSETS		
131 Cash	1,703,671	991,876
134 Working Funds	-	-
135 Temporary Cash Investments	396,583	901,318
141 Customer Accounts Receivable	279,220	234,522
146 Notes/Receivables from Associated Companies	-	-
151 Plant Material and Supplies	40,511	60,220
162 Prepayments	17,210	29,718
174 Miscellaneous Curent and Accrued Assets	-	-
TOTAL CURENT AND ACCRUED ASSETS	2,437,195	2,217,653
FIXED ASSETS		
101 Utility Plant in Service	21,413,586	30,655,639
103 Property Held for Future Use	-	-
105 Construction Work in Progress	6,305,173	6,869,353
108 Accumulated Depreciation - Utility Plant	(6,534,380)	(7,119,727)
121 Non Utility Property	557,078	616,106
122 Accumulated Depreciation - Non Utility	-	-
TOTAL FIXED ASSETS	21,741,457	31,021,371
TOTAL ASSETS	24,178,652	33,239,024

BALANCE SHEET (CONTINUED)

	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
LIABILITIES		
231 Accounts Payable	3,572,602	1,136,252
232 Notes Payable	-	-
232 Line of Credit	1,564,371	-
234 Notes/Accounts Payable to Associated Compa	-	-
235 Customer Deposits	-	-
236 Accrued Taxes	75,564	74,402
237 Accrued Interest	-	-
241 Miscellaneous Current and Accrued Liabilities	86,428	234,558
TOTAL CURRENT LIABILITIES	5,298,965	1,445,212
Long -Term Debt (Over 12 Months)		
224 Long-Term Notes and Bonds	-	2,200,000
DEFERRED CREDITS		
251 Unamortized Premium on Debt	-	-
252 Advances in Aid of Construction	7,510,427	9,754,901
255 Accumulated Deferred Investment Tax Credits	-	-
265 Maintenance Reserves	64,041	80,361
271 Contributions in Aid of Construction	4,096,833	12,722,495
272 Less: Amortization of Contributions	(396,393)	(535,605)
281 Accumulated Deferred Income Tax	-	-
TOTAL DEFERRED CREDITS	11,274,908	22,022,152
CAPITAL ACCOUNTS		
201 Common Stock Issued	-	-
211 Paid in Capital of Excess of Par Value	48,010	48,010
215 Retained Earnings	7,556,769	7,523,650
218 Proprietary Capital	-	-
TOTAL CAPITAL	7,604,779	7,571,660
TOTAL LIABILITIES AND CAPITAL	24,178,652	33,239,024

COMPARATIVE STATEMENT OF INCOME AND EXPENSES

	PRIOR YEAR	CURRENT YEAR
Acct. No.		
OPERATING REVENUES		
461 Metered Water Revenue	2,271,706	2,415,779
460 Unmetered Water Revenue	57,396	59,886
474 Other Water Revenue	144,637	96,787
TOTAL REVENUES	2,473,739	2,572,453
OPERATING EXPENSES		
601 Salaries and Wages	634,478	683,795
610 Purchased Water	-	-
615 Purchased Power	205,478	222,443
618 Chemicals	11,619	14,537
620 Repairs and Maintenance	115,542	102,302
621 Office Supplies and Expense	19,509	8,892
630 Outside Services	97,165	46,023
635 Water Testing	-	-
641 Rents	2,321	2,532
650 Transportation Expenses	36,854	81,395
656 Insurance - Vehicle		27,681
657 Insurance - General Liability	24,624	
658 Insurance - Workman's Compensation		14,047
659 Insurance - General Liability	146,505	134,826
666 Regulatory Commission Expense - Rate Case	4,675	5,113
668 Water Resource Conservation Expense		9,932
675 Miscellaneous Expense	371,648	417,653
403 Depreciation Expense	440,253	482,772
408 Taxes Other Than Income	187,958	205,479
408.11 Property Taxes	108,371	103,335
409 Income Tax	0	0
TOTAL OPERATING EXPENSES	2,407,000	2,562,757
OTHER INCOME/(EXPENSE)		
419 Interest and Dividend Income	35,207	70,136
421 Non-Utility	6,891	12,670
426 Miscellaneous Non-Utility Expenses	-	
427 Interest Expense	(63,573)	(126,039)
TOTAL OTHER INCOME/(EXPENSES)	(21,475)	(43,233)
NET INCOME/(LOSS)	45,264	(33,537)

APPENDIX 5J
CONSERVATION REQUIREMENTS FOR MUNICIPAL DISTRIBUTION SYSTEMS
LOST AND UNACCOUNTED FOR WATER
TUCSON ACTIVE MANAGEMENT AREA

Lost & Unaccounted For Includes:

Leaks:

- Distribution Lines
- Sewer Lines
- Storage Tanks
- Storage Ponds
- Hydrants
- Other

Breaks:

- Distribution Lines
- Sewer Lines
- Mains
- Hydrants
- Other

Measurement Errors:

- Meter Under-Registration
- Source Meter Errors
- Flume/Weir Errors

Evaporation

Illegal Connections/Water Theft

Phreatophyte Uses

Water System Uses Include:

- Residential Metered Deliveries
- Non-Residential Metered Deliveries
- Standpipe Uses
 - (1) Fire Flow
 - Hydrant Meter Reading
 - (1) Hydrant Flow Tests
 - (1) Fire Sprinkler System Flow Tests
 - (1) Construction
 - (1) Dust Control
 - (1) Line Flushing (distribution, sewer, or treatment facility)
 - (1) Street Cleaning
 - (1) Storm Drain Flushing
 - (1) Water Tests & Pressure Tests
 - Well Purging

- (1) *These uses may be estimated using a method approved by the director. Documentation must be submitted with annual report.*